

18 July 1956

OGC Has Reviewed

MEMORANDUM FOR THE RECORD

SUBJECT: Executive Pay Bill - Discussion with Mr. Friend of GAO

1. I talked on the telephone with Mr. Friend this morning on the subject of the Classification Act amendments in the Executive Pay Bill. The version of the bill discussed was S. 2628 but its language is substantially similar to the House Bill.

2. The particular subject of discussion was the language of Section 302(b) relating to compensation of GS-17's and GS-18's. I questioned whether the language of this section would permit a GS-17 or GS-18 who has been receiving the maximum rate for his grade to be automatically advanced to any of the newly created steps in accordance with his time in grade. The extreme example would be a GS-18 who has been in grade long enough to be advanced to the fourth step although under present law there is only one step in grade GS-18. Mr. Friend stated that GAO had informally agreed that step increases could be granted in accordance with time in grade in this manner, but that they did not wish to go on record to this effect in their report on the bill because to do so would call attention to this possibility and might result in Congress putting in language which would prohibit such automatic advances.

3. I pointed out to Mr. Friend that the language of the three subparagraphs of Section 302(b) seems to serve no real purpose, particularly the language of subparagraphs 2 and 3 which appears to be designed to save salaries in excess of those permitted under the bill. Mr. Friend stated that he had brought up this point with the Civil Service Commission and their answer was that the language of Section 302(b) was the same as that of the Classification Act of 1949 and language normally used in such bills. There is a possibility that a few employees throughout the Government may be receiving salaries in excess of the maximum rates of their grades or at a rate between two steps and the purpose of the language is to save such salaries.

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Office of General Counsel

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Subject: Pay and Allowances
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Signer

Chrono